

STATE OF HAWAII
DEPARTMENT OF LAND AND NATURAL RESOURCES
Land Division
Honolulu, Hawaii 96813
November 17, 2006

Board of Land and Natural Resources
State of Hawaii
Honolulu, Hawaii

PSF No: 06KD-152
KAUAI

Amend Prior Board Action of September 8, 2006 (Item D-3),
Cancellation of Revocable Permit No. S-7309 to George B.
Fernandes and Issuance of Revocable Permit to Michael J.
Fernandes for Pasture Purposes; Wailua, Kawaihau, Kauai, TMK:
(4) 4-1-9:08.

BACKGROUND:

At its September 8, 2006 meeting, under Item D-3, the Board approved the cancellation of Revocable Permit No. S-7309 to George B. Fernandes and the issuance of a new revocable permit to Michael J. Fernandes for pasture purposes. Due to his age Mr. Fernandes was turning over the ranching operation to his son and partner, Michael Fernandes. (Exhibit A)

REMARKS:

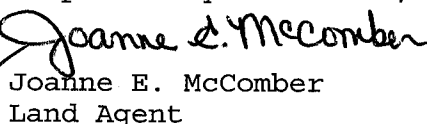
Staff discovered it had incorrectly used the old monthly rental amount of \$18 submittal and failed to request the Staff Appraiser to determine new monthly permit rent.

The new revocable permit rent should be \$40 per month. (Exhibit B)
Staff has notified Mr. Fernandes.

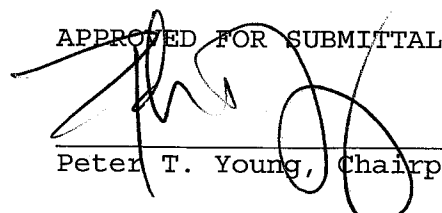
RECOMMENDATION: That the Board:

1. Amend its prior Board action of September 8, 2006, under agenda item D-3 by deleting the Monthly Rental amount of \$18 per month and replacing it with \$40 per month.
2. All terms and conditions listed in its September 8, 2006 approval to remain the same.

Respectfully Submitted,


Joanne E. McComber
Land Agent

APPROVED FOR SUBMITTAL:


Peter T. Young, Chairperson

STATE OF HAWAII
DEPARTMENT OF LAND AND NATURAL RESOURCES
Land Division
Honolulu, Hawaii 96813

September 8, 2006

Board of Land and Natural Resources
State of Hawaii
Honolulu, Hawaii

PSF No.:06KD-152

Kauai

Cancellation of Revocable Permit No. S-7309 to George B. Fernandes and Issuance of Revocable Permit to Michael J. Fernandes for Pasture Purposes; Wailua, Kawaihau, Kauai, Hawaii; TMK: (4) 4-1-9:08.

APPLICANT:

Michael J. Fernandes, married, as his separate property, whose mailing address is 411 Pua Road, Kapaa, HI 96746.

LEGAL REFERENCE:

Sections 171-13 and -55, Hawaii Revised Statutes, as amended.

LOCATION:

Portion of Government (Crown) lands of Wailua, situated at Wailua House Lots, Wailua, Kawaihau, Kauai, identified by Tax Map Key: (4) 4-1-9:08, as shown on the attached map labeled Exhibit A.

AREA:

11.746 acres, more or less.

ZONING:

State Land Use District: Urban
County of Kauai CZO: Open

AM11:12:46

TRUST LAND STATUS:

Section 5(b) lands of the Hawaii Admission Act

DHHL 30% entitlement lands pursuant to the Hawaii State Constitution: NO

SEP 11 '06
DLNR KDLO RCVD

CURRENT USE STATUS:

Encumbered by Revocable Permit No. S-7309 to George B. Fernandes for pasture purposes.

APPROVED BY THE BOARD OF
LAND AND NATURAL RESOURCES
AT ITS MEETING HELD ON
September 8, 2006

D-3

Exhibit A

BLNR - Cancellation of RP S-7309 &
Issue RP to Michael J. Fernandes

Page 2

September 8, 2006

CHARACTER OF USE:

Pasture purposes.

COMMENCEMENT DATE:

Upon cancellation of Revocable Permit No. S-7309 and on the first day of the month to be determined by the Chairperson.

MONTHLY RENTAL:

\$18.00 per month. This rent was reconfirmed by the Board at its meeting of November 18, 2005 under agenda item D-17.

COLLATERAL SECURITY DEPOSIT:

Twice the monthly rental.

CHAPTER 343 - ENVIRONMENTAL ASSESSMENT:

In accordance with the "Division of Land Management's Environmental Impact Statement Exemption List", approved by the Environmental Council and dated April 28, 1986, the subject request is exempt from the preparation of an environmental assessment pursuant to Exemption Class No. 1, that states "Operations, repairs or maintenance of existing structures, facilities, equipment or topographical features involving negligible or no expansion or change of use beyond that previously existing."

DCCA VERIFICATION:

Not applicable as individuals are not required to register with the DCCA.

REMARKS:

At its meeting of January 28, 2000, under agenda item D-9 the Board consented to Revocable Permit No. S-7309 issued to George B. Fernandes for pasture purposes. Land was previously encumbered by twenty (20) year General Lease No. S-5117 to George B. Fernandes for pasture purpose, which expired on February 24, 2001.

By letter dated August 3, 2006, Mr. George B. Fernandes expressed his desire to continue his ranching operation, but because of his age (88 years old) is requesting that his Revocable Permit be transferred to his son and partner, Michael J. Fernandes. (Exhibit B)

Michael J. Fernandes is a current lessee under General Leases S-5580 and S-5582, for pasture purposes. The applicant has not had a lease, permit, easement or other disposition of State lands terminated

BLNR - Cancellation of RP S-7309 &
Issue RP to Michael J. Fernandes

Page 3

September 8, 2006

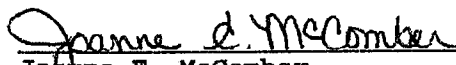
within the last five years due to non-compliance with such terms and conditions.

Staff did not solicit comments from other agencies on the subject request as this is an extension of the existing use with no break in occupancy.

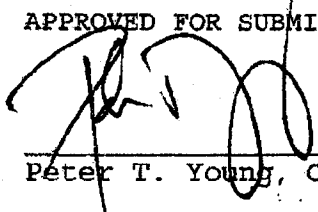
RECOMMENDATION: That the Board:

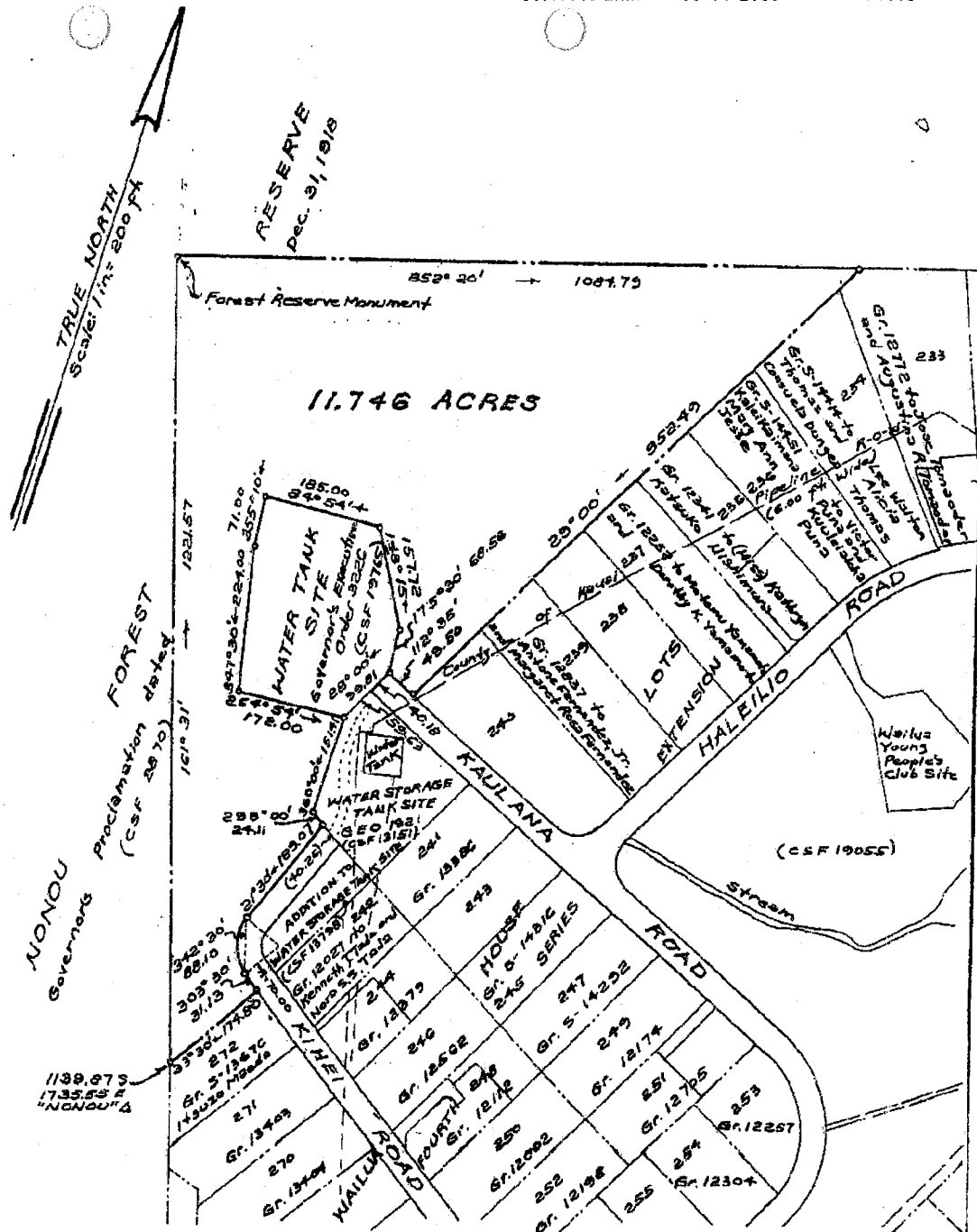
1. Declare that, after considering the potential effects of the proposed disposition as provided by Chapter 343, HRS, and Chapter 11-200, HAR, this project will probably have minimal or no significant effect on the environment and is therefore exempt from the preparation of an environmental assessment.
2. Authorize the cancellation of Revocable Permit No. S-7309 to George B. Fernandes and issuance of month-to-month Revocable Permit to Michael J. Fernandes covering the subject area for pasture purposes under the terms and conditions cited above, which are by this reference incorporated herein and further subject to the following:
 - a. The standard terms and conditions of the most current revocable permit form, as may be amended from time to time;
 - b. Review and approval by the Department of the Attorney General; and
 - c. Such other terms and conditions as may be prescribed by the Chairperson to best serve the interests of the State.

Respectfully Submitted,


Joanne E. McComber

APPROVED FOR SUBMITTAL:


Peter T. Young, Chairperson



PORTION OF THE GOVERNMENT (CROWN) LAND OF WAILUA
 Situate between Nonou Forest Reserve and Wailua House Lots

Fourth Series Extension
 Wailua, Kaeohau (Puna), Kauai, Hawaii

Scale: 1 inch = 200 feet

JOB K-285(94)

C. BK 11, Pg. 119 - S. Nakamura

TAX MAP 4-1-3:8

C. S. F. No. 20,125

SURVEY DIVISION
DEPARTMENT OF ACCOUNTING AND GENERAL SERVICES

STATE OF HAWAII

STU Jan. 1, 1965

"Exhibit A"

RP-7309

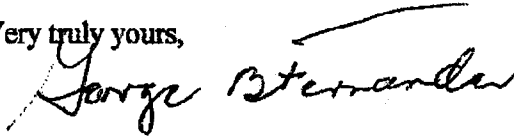
August 3, 2006

TO: Joann McCumber DNLRLand Agent
FROM: George B Fernandes & Sons
SUBJECT: Transfer of RP 5117 TMK 4-1-9:8 to Michael J Fernandes & Sons

Aloha Joann

My son Mike has been a partner in our ranching operation since 1970. I am approaching the age of eighty eight and my health is not as sharp as it use to be. I have transferred all five other leases, two which where state DNLRLand to Mike . I therefore request that you approve this transfer of RP 5117 TMK 4-1-9: 8 to my son.. Also the lease in question has a easement that also has to be transfered, I believe Mike applied for the that easement last year. I can be reached at 822-4354 your prompt attention to this matter will be greatly appreciated.

Very truly yours,



George B Fernandes

8/9/06 - called Mike Fernandes to
clarify correct RP number S-7309
and that new RP should be
issued to Michael J. Fernandes
(No " & Sons"). JM

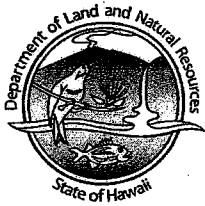
AM11:18:18

AUG 4 '06

DNLRLand KDLD ROVD

"Exhibit B"

LINDA LINGLE
GOVERNOR OF HAWAII



STATE OF HAWAII
DEPARTMENT OF LAND AND NATURAL RESOURCES
LAND DIVISION

POST OFFICE BOX 621
HONOLULU, HAWAII 96809

PETER T. YOUNG
CHAIRPERSON
BOARD OF LAND AND NATURAL RESOURCES
COMMISSION ON WATER RESOURCE MANAGEMENT

ROBERT K. MASUDA
DEPUTY DIRECTOR

DEAN NAKANO
ACTING DEPUTY DIRECTOR - WATER

AQUATIC RESOURCES
BOATING AND OCEAN RECREATION
BUREAU OF CONVEYANCES
COMMISSION ON WATER RESOURCE MANAGEMENT
CONSERVATION AND COASTAL LANDS
CONSERVATION AND RESOURCES ENFORCEMENT
ENGINEERING
FORESTRY AND WILDLIFE
HISTORIC PRESERVATION
KAOHOLAWE ISLAND RESERVE COMMISSION
LAND
STATE PARKS

September 19, 2006

MEMORANDUM

TO: Peter T. Young, Chairperson

THROUGH: Russell Y. Tsuji, Land Division Administrator

FROM: Cyrus C. Chen, Real Estate Appraisal Manager *Cyrus Chen*

SUBJECT: In-House Valuation Recommendation – Revocable Permit for Pasture Purposes

PSF No.: 06KD-152
Applicant: Michael J. Fernandes
Location: Wailua House Lots, Wailua, Kawaihau, Kauai
Land Area: 11.746 acres
Tax Map Key: (4) 4-1-9: 08
Char. of Use: Pasture

On September 6, 2006, the Land Board, under agenda item no. D-3, approved the issuance of a revocable permit for pasture purposes on the above-referenced property. The monthly rent will be determined by staff subject to your approval.

The subject consists of approximately 11.746 acres in Wailua, Kauai. Based on an analysis by Staff, the subject is usable for Class "d" pasture purposes. Class "d" pasture land has a carrying capacity of 10 to 30 acres per animal unit for grazing.

Based on an animal production formula for the subject acreage, we calculate the monthly rent as follows:

Pasture Details	Usable Acreage		Capacity ¹		AUY
Average weight gain per animal per year	11.746	x	10-30	=	1.0
Annual weight gain				x	300
Average live weight price (3-yr. average) ²				x	300
Gross value of beef				x	\$0.54
Portion of gross profit to Lessor					\$162.00
Gross annual rent				x	25%
Rounded annual rent					\$40.50
Monthly rent (÷ 12)					\$41.00
Rounded (to minimum monthly rent)					\$3.42
					\$40.00

PM1:21:41

SEP 26 '06

DLNR KDLO RCVD

Exhibit "B"

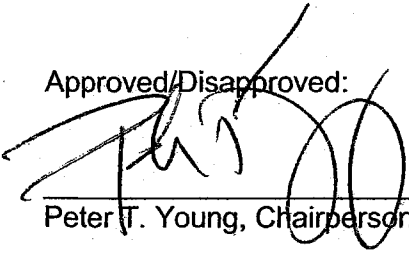
¹Carrying capacity derived from the *Land Study Bureau, Detailed Land Classifications*; based on 20 acres required to support one animal per year.

²Average live weight price (cents per pound) for Island of Kauai derived from the *Statistics of Hawaiian Agriculture* by average between 2002 and 2004.

Year	Statewide	Kauai
2002	53.90	52.50
2003	58.10	50.20
2004	63.70	58.70
Average (rounded)	58.60	53.80

Therefore, as of September 19, 2006, the monthly market rent for the revocable permit to Michael J. Fernandes is recommended to be \$40 per month.

Approved/Disapproved:


Peter T. Young, Chairperson

SEP 25 2006

Date

cc: District Branch Files
Central Files